

# IRS News Release

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## **IRS Waives Excise Tax Penalty Because of Fuel Shortage in Florida**

IR-2004-113, Sept. 3, 2004

(Updated 9/7/04 to extend the period through Sept. 15, 2004)

WASHINGTON — The Internal Revenue Service announced today that it would not assert the excise tax penalty on dyed diesel fuel that wholesale dealers deliver or sell in Florida from Sept. 2 through Sept. 15 for highway use because of shortages of clear diesel fuel caused by Hurricanes Charley and Frances.

The penalty is either \$1,000 or \$10 per gallon, whichever is greater. To be eligible for the relief from this penalty, the wholesale dealer must report and pay the tax on the dyed diesel fuel that is delivered or sold for highway use. The tax return and the payment will be due on Oct. 31, 2004. Wholesale dealers should call, toll-free, 1-866-699-4096 for instructions on the proper method for reporting and paying this tax.

Dyed diesel fuel is not taxed, because it is sold for uses exempt from excise tax, such as to farmers for farming purposes and to local governments for buses. IRS Publication 510, Excise Taxes for 2004, is available on IRS.gov.